

Altmire Protects Access to Student Loans Amidst Credit Crunch

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Congressman Altmire joined with Education and Labor Chairman George Miller (CA-7) to introduce the Ensuring Continued Access to Student Loans Act of 2008 (H.R. 5715) last week.

This bill will increase federal loan limits for students by \$2,000 a year, which will reduce students' dependence on more expensive private loans. Currently, students can borrow \$3,500 in federal loans for their first year at college, \$4,500 for their second and \$5,500 for their final two years. The bill passed today by a vote of 383-27.

"The on-going credit crunch could jeopardize lenders' ability to finance federally guaranteed loans in the future, making it harder for students to pay for college," Altmire said. "By passing this bill, Congress has taken a proactive step to ensure turmoil in the financial markets will not stand in the way of families' ability to send their children to college. In the midst of a slowing economy, it is even more important to ensure our children can afford to go to college and establish a firm foundation for future success."

In the wake of Pennsylvania Higher Education Assistance Agency's (PHEEA) decision to suspend making new student loans, this bill would also give the U.S. Secretary of Education the power to purchase loans from lenders in the Federal Family Education Loan program, thus restoring liquidity to the student loan market.

In addition, the Ensuring Continued Access to Student Loans Act of 2008 (H.R. 5715) would help families being hit hard by the weakening economy finance their children's education. The bill allows parent borrowers to defer beginning payment on their federal PLUS loans until up to six months after their children leave school, providing much-needed financial flexibility. It will also help struggling homeowners pay for college by making sure that short-term delinquencies in mortgage payments do not prohibit otherwise eligible parents from being able to borrow parent PLUS loans.

In March, Congressman Altmire also joined 18 members of the Pennsylvania delegation in sending a letter to the Secretary of Education, Chairman of the Federal Reserve and the Secretary of the Treasury urging them to work together to ensure the continued availability of student loans.

